

**EXHIBIT F**

MODIFICATIONS TO JRS LEGISLATION

## MODIFICATIONS FOR JRS CLAIMS

The following is a summary of modifications with respect to outstanding benefits of the Judiciary Retirement System for the Commonwealth of Puerto Rico (“JRS”) as it applies to judges serving without a fixed tenure.

JRS members hired (a) prior to July 1, 2014 are currently accruing benefits under a defined benefit (“DB”) formula and (b) on or after July 1, 2014 are currently accruing benefits pursuant to an alternative DB formula and paired with a hybrid defined contribution (“DC”) formula. To avoid creating future pension liabilities and to stabilize the system for the benefit of both taxpayers and future retirees, the JRS plan benefit accrual shall be modified. In doing so, JRS members will retain the benefits they have accrued to date, subject to the benefit reduction formula set forth in the October 2018 Fiscal Plan. Future benefits shall be based on contributions and earnings in new segregated DC retirement accounts funded by employee contributions. As a result, employees will have the certainty that their contributions and investment returns will be safeguarded for the future, ensuring retirement security.

<b>Definitions</b>	
<b>Pension System</b>	The terms of this document and references to Pension System pertain to the freeze of pension obligations of JRS members.
<b>Retirement Eligibility Age</b>	The age at which a member may commence receipt of a monthly pension benefit.
<b>Freeze Date</b>	The Effective Date.
<b>Retirement Benefit</b>	The amount of benefit payable to a JRS member each month.
<b>Creditable Service</b>	For purposes of calculating Creditable Service, the years and months (where fractional months are counted as full months of service) begin on the Credit Date. Years and months worked after the effective date of the freeze will not be considered except as noted below under “Provisions of the Proposal.”
<b>Credit Date</b>	The Credit Date for JRS members with less than eight (8) years of Creditable Service as a judge as of the effective date of the freeze, or for those hired on or after July 1, 2014, is the date of appointment as a judge, and for all other JRS members shall be the date first employed by the Government of Puerto Rico (provided that accumulated contributions for prior government service are transferred to the Pension System).
<b>Highest Salary</b>	The highest salary received as a judge. Compensation earned after the effective date of the freeze will not be considered. (Applicable for JRS members hired prior to July 1, 2014)

<b>Definitions</b>	
<b>Average Compensation</b>	The average of the last sixty (60) months of salary that a JRS member has received for Creditable Service. (Applicable for JRS members hired on or after July 1, 2014)
<b>Defined Contribution Account</b>	The notional individual account established for each new JRS member on or after July 1, 2014. Such accounts shall be credited with JRS member contributions and interest. New accounts will be established effective as of the Effective Date for JRS members hired prior to July 1, 2014, in connection with the freeze of the DB formula.
<b>Basic Retirement Eligibility Age</b>	Age at which the JRS member attains age sixty (60) and ten (10) years of Creditable Service. (Applicable for JRS members hired prior to July 1, 2014)
<b>Optional Retirement Eligibility Age</b>	<p>For judges with at least eight (8) years of Creditable Service as a judge, the attainment of either:</p> <ul style="list-style-type: none"> <li>a. Thirty (30) years of total Creditable Service, or</li> <li>b. Age fifty-five (55) with eighty-two (82) combined years of age plus Creditable Service (“Points”)</li> </ul> <p>(Applicable for JRS members hired prior to July 1, 2014)</p>

<b>Timing</b>	
<b>Pension Freeze</b>	JRS pension benefit accrual freeze becomes effective as of the Effective Date.
<b>Implementation</b>	The freeze in the benefit amount described below will apply to benefits earned under and paid by the plan on or after the Freeze Date, also subject to the benefit reduction formula discussed in the May 2019 Fiscal Plan.

<b>Provisions of the Modification</b>	
<b>Freeze of Benefit Accruals and Implementation of DC Account</b>	Accrued benefits frozen as of freeze date. New DC account balances shall be funded with employee contributions to be established in connection with the freeze. The total required employee contribution for each judge will remain at the current contribution levels.
<b>Retirement Eligibility Enhancement If</b>	For JRS members hired prior to July 1, 2014, if not already eligible for retirement as of the freeze, JRS members hired prior to July 1, 2014 will be permitted to grow into eligibility for retirement provided the JRS

<b>Provisions of the Modification</b>	
<b>Within Six (6) Months of Unreduced Retirement Eligibility</b>	member reaches any of the following within six (6) months of the Freeze Date:  a. Basic Retirement Eligibility Age, b. Optional Retirement Eligibility Age, or c. Attainment of 20 years of creditable service
<b>Delay in Retirement Eligibility for All Others</b>	For individuals hired prior to July 1, 2014 who do not meet the criteria listed above, retirement eligibility is delayed up to three (3) years. Retirement is also delayed for terminated JRS members that have not yet commenced.
<b>Elimination of Cost-of-Living Adjustment (COLA)</b>	The statutory three percent (3%) COLA which has been granted every three (3) years since 2002 will be eliminated for all JRS members effective as of the Freeze Date.
<b>Elimination of Bonuses</b>	Christmas, Summer and Medicine bonus will no longer be paid to JRS members who retire after the freeze date. Further, the Medical Insurance Plan contribution will also be eliminated for retirements taken after the freeze date.
<b>Elimination of Enhanced Disability Benefits</b>	JRS members terminating due to disability on or after the Freeze Date will be eligible for the same benefits as other terminated JRS members.
<b>Elimination of Occupational and One Year of Salary Death Benefits for Future in-Service Deaths</b>	Terminations due to death would be eligible for a refund of accumulated contributions.
<b>Elimination of Free Post-Retirement Death Benefit</b>	The normal form of payment for annuity benefit provided for future retirements will be a single life annuity. JRS members will be able to elect a joint and survivor benefit that will be the actuarial equivalent benefit to the normal form of payment.

<b>More detailed provisions of the Modifications</b>	
<b>Specific Implications on Retirement</b>	A. JRS members who are eligible to retire prior to the Freeze Date will continue to be eligible to retire at any time.

### More detailed provisions of the Modifications

#### Eligibility Age if Hired Prior to July 1, 2014

B. JRS members who would attain either any of the following on or prior to the date that is six (6) months following the Freeze Date had service continued to accrue past the freeze date will continue to be eligible to retire at any time:

- a. Basic Retirement Eligibility Age
- b. Optional Retirement Eligibility Age
- c. Attainment of 20 years of Creditable Service

C. JRS members who are not eligible to retire as of the Freeze Date and will not meet the criterion listed in B. above as of six (6) months after the Freeze Date will be eligible to retire upon the date the JRS member would have attained ten (10) years of Creditable Service had the freeze not occurred and reaching the ages shown in the following table:

Attained Age as of the Freeze Date	Retirement Eligibility Age Six Months After the Freeze Date
57 and up	61
56	62
55 or under	63

#### Specific Implications on Retirement Benefit if Hired Prior to July 1, 2014

#### Retirements on or before the date that is six (6) months following the Freeze Date:

A. If a JRS member attains the Optional Retirement Eligibility Age, the benefit payable will be equal to seventy-five percent (75%) of Highest Salary (sixty percent (60%) of Highest Salary if hired after December 24, 2013).

B. If a JRS member attains the Basic Retirement Eligibility Age, but has not yet attained the Optional Retirement Eligibility Age, the benefit payable share equals twenty-five percent (25%) of Highest Salary, plus five percent (5%) of Highest Salary for each year of Creditable Service above ten (10) with a maximum of seventy-five percent (75%) of Highest Salary (sixty percent (60%) of highest salary if hired after December 24, 2013).

C. If a JRS member has attained age seventy (70) with fewer than ten (10) years of Creditable Service at retirement, the benefit payable is twenty-five percent (25%) of Highest Salary, pro-rated for each year of Creditable Service less than ten (10).

D. If a JRS member has attained at least twenty (20) years of Creditable Service, but has not attained either the Basic Retirement Eligibility Age or the Optional Retirement Eligibility Age, the benefit payable is twenty-five percent (25%) of Highest Salary, plus five percent

### More detailed provisions of the Modifications

(5%) of Highest Salary for each year of Creditable Service above ten (10) with a maximum of seventy-five percent (75%) of Highest Salary sixty percent (60%) of highest salary if hired after December 24, 2013), actuarially reduced to current retirement age from the earlier of the date the JRS member would have attained either age sixty (60) or the Optional Retirement Eligibility age based on their service at retirement.

#### **Retirements after Six Months After the Freeze Date:**

A. If a JRS member has attained Optional Retirement Eligibility as of the Freeze Date (or would have attained Optional Retirement Eligibility by the date that is six (6) months after the Freeze Date), the benefit payable equals seventy-five percent (75%) of Highest Salary (sixty percent (60%) of highest salary if hired after December 24, 2013).

B. If a JRS member has attained Basic Retirement Eligibility as of the Freeze Date (or would have attained Basic Retirement Eligibility as of December 31, 2019), the benefit payable equals twenty-five percent (25%) of Highest Salary, plus five percent (5%) of Highest Salary for each year of Creditable Service above ten (10) with a maximum of seventy-five percent (75%) of Highest Salary (sixty percent (60%) of highest salary if hired after December 24, 2013).

C. If a JRS member has attained at least twenty (20) years of Creditable Service as of the Freeze Date (or would have attained at least twenty (20) years of Creditable Service as of December 31, 2019) and the JRS member has attained at least seven and one-half years (7.5) of Creditable Service as a judge on the Freeze Date, the benefit payable equals seventy five percent (75%) of Highest Salary (sixty percent (60%) of highest salary if hired after December 24, 2013) actuarially reduced to the benefit commencement date from the earlier of the date the JRS member would have attained either age sixty (60) and the Optional Retirement Eligibility Age based on their service as of the Freeze Date.

D. If a JRS member has attained at least twenty (20) years of Creditable Service as of the Freeze Date (or would have attained at least twenty (20) years of Creditable Service as of December 31, 2019) and the JRS member has not attained at least seven and one-half years (7.5) of Creditable Service as a judge on the Freeze Date, the benefit payable equals seventy-five percent (75%) of Highest Salary (sixty percent (60%) of highest salary if hired after December 24, 2013) actuarially reduced to the benefit commencement date from age sixty (60).

E. If a JRS member has attained at least ten (10) years of Creditable Service as of the Freeze Date and would not have attained at least twenty

More detailed provisions of the Modifications	
	<p>(20) years of Creditable Service as of December 31, 2019, the benefit payable equals twenty-five percent (25%) of Highest Salary, plus five percent (5%) of Highest Salary for each year of Creditable Service above ten (10) with a maximum of seventy-five percent (75%) of Highest Salary (sixty percent (60%) of highest salary if hired after December 24, 2013).</p> <p>F. If a JRS member has not attained at least ten (10) years of Creditable Service at the Freeze Date, and retires after the date the participant would have earned ten (10) years of service had the freeze not occurred the benefit payable equals twenty-five percent (25%) of Highest Salary, pro-rated for each year of Creditable Service less than ten (10).</p>
<b>Specific Implications on Retirement Eligibility Age if Hired on or After July 1, 2014</b>	<p>A. JRS members that are eligible to retire or would have been eligible to retire prior to the date six (6) months after the Freeze Date will remain eligible to retire at any time. Current eligibility is attainment of age fifty-five (55) with twelve (12) years of Creditable Service.</p> <p>B. JRS members who would not meet retirement eligibility by the date six (6) months after the Freeze Date will become retirement eligible upon attainment of age sixty-five (65) with twelve (12) years of Creditable Service.</p>
<b>Specific Implications on Retirement Benefit Amount if Hired on or After July 1, 2014</b>	<p>A. JRS members will continue to receive a benefit of one and one-half percent (1.5%) of Average Compensation plus the annuitized value of the balance of the DC Hybrid Account at the time of retirement.</p> <p>B. JRS members who would have attained retirement eligibility prior to the date six (6) months after the Freeze Date and who have not yet attained age sixty (60) will receive a benefit of one and one-half percent (1.5%) of Average Compensation reduced by 1/180 for each of the first sixty months (60) months and by 1/360 for each of the next sixty (60) months by which the retirement date precedes age sixty-five (65), plus the annuitized value of the DC Hybrid Account.</p>